

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 6/30/2002

	As of <u>6-30-02</u>	As of <u>6-30-01</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 454,371,763	\$ 519,292,298
INTERNATIONAL EQUITIES	289,731,886	290,358,103
DOMESTIC FIXED INCOME	163,412,983	176,348,931
INTERNATIONAL FIXED INCOME	68,403,109	65,436,592
REAL ESTATE	105,982,182	139,409,884
VENTURE CAPITAL	40,322,264	56,875,159
INVESTED CASH (NOTE 1)	<u>25,684,813</u>	<u>23,529,222</u>
 TOTAL INVESTMENTS	 1,147,909,000	 1,271,250,189
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	5,409,970	7,926,311
CONTRIBUTIONS/ASSESSMENTS REC	5,783,738	6,616,070
MISCELLANEOUS RECEIVABLE	<u>74,534</u>	<u>0</u>
 TOTAL RECEIVABLES	 11,268,242	 14,542,381
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	58,369,414	53,013,503
OPERATING CASH (NOTE 3)	7,248,921	6,057,326
DUE FROM OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>0</u>
 TOTAL ASSETS	 <u>\$ 1,224,795,577</u>	 <u>\$ 1,344,863,399</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	827,630	1,014,555
ACCRUED EXPENSES	219,170	134,634
SECURITIES LENDING COLLATERAL (NOTE 2)	58,369,414	53,013,503
DUE TO OTHER AGENCIES (NOTE 5)	<u>9,798</u>	<u>38,567</u>
 TOTAL LIABILITIES	 59,426,012	 54,201,259
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,290,662,140	1,405,246,440
CASH IN DURING YEAR (NOTE 6)	118,154,000	107,500,000
CASH OUT DURING YEAR (NOTE 7)	118,154,000	107,500,000
NET INCREASE (DECREASE)	<u>(125,292,575)</u>	<u>(114,584,300)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,165,369,565</u>	 <u>1,290,662,140</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,224,795,577</u>	 <u>\$ 1,344,863,399</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 6/30/2002

	Month Ended 6-30-02	Year-to-Date
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,980,147	\$ 32,925,350
SECURITIES LENDING INCOME	111,368	1,399,015
	<u>3,091,515</u>	<u>34,324,365</u>
GAIN ON SALE OF INVESTMENTS	9,635,567	146,061,316
LOSS ON SALE OF INVESTMENTS	<u>19,765,131</u>	<u>207,028,396</u>
NET GAINS (LOSSES) INVESTMENTS	(10,129,564)	(60,967,080)
INVESTMENT EXPENSES	493,470	4,184,370
SECURITIES LENDING EXPENSES	79,891	1,183,221
SIB ADMINISTRATIVE EXPENSES	<u>18,218</u>	<u>122,902</u>
NET INVESTMENT INCOME	(7,629,628)	(32,133,208)
NET APPREC (DEPREC) MARKET VALUE	(63,000,936)	(78,252,156)
MISCELLANEOUS INCOME/(EXPENSE)	<u>4,489</u>	<u>(30,177)</u>
TOTAL INVESTMENT INCOME	(70,626,075)	(110,415,541)
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	5,986,486	54,487,550
PURCHASED SERVICE CREDIT (NOTE 9)	640,646	1,927,764
PENALTY & INTEREST (NOTE 10)	<u>63</u>	<u>(149)</u>
TOTAL ADDITIONS	<u>(63,998,880)</u>	<u>(54,000,376)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	5,835,710	67,482,482
REFUNDS TO MEMBER (NOTE 12)	<u>61,230</u>	<u>2,743,408</u>
TOTAL BENEFITS PAID	5,896,940	70,225,890
ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	84,847	901,329
MISCELLANEOUS EXPENSES	<u>54,291</u>	<u>164,980</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>139,138</u>	<u>1,066,309</u>
TOTAL DEDUCTIONS	<u>6,036,078</u>	<u>71,292,199</u>
NET INCREASE (DECREASE)	<u>\$ (70,034,958)</u>	<u>\$ (125,292,575)</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
June 30, 2002

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 SECURITIES LENDING COLLATERAL

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 4 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 5 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

TEACHERS' FUND FOR RETIREMENT
Notes to Financial Statements
6/30/02

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.